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ABSTRACT

Nevada's nine academic standards for economics call for specific educational outcomes in grades 2, 3, 5, 8, and 12. They contain performance level descriptors. Nevada's standards aim to help students develop fundamental economic concepts; learn about economic performance in the United States; demonstrate a knowledge of how investment, entrepreneurship, competition, and specialization lead to changes in the economy; and explore the characteristics of non-U.S. economic systems to demonstrate an understanding of how the United States is connected, through trade, to peoples and cultures throughout the world. (Includes an extensive economics glossary.) (BT)

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ED 441 716

Nevada Academic Standards in the Social Studies

Economics

SO 031 340

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Economics

Content Standard 1.0: The Economic Way of Thinking: *Students will use fundamental economic concepts, including scarcity, choice, cost, incentives, and costs versus benefits to describe and analyze problems and opportunities, both individual and social.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
1.2.1 Give examples of what is given up when **choices** are made.	1.3.1 Categorize **wants** as **goods, services,** or **leisure activities.**	1.5.1 Describe how **scarcity** requires a person to make a **choice** and identify a **cost** associated with the decision.	1.8.1 Use the concept of **opportunity cost** to evaluate the tradeoffs when **choices** occur.	1.12.1 Explain why **choices** and their **costs** may differ across individuals and societies.	**Scarcity, Choice, and Cost**
	1.3.2 Give examples of **incentives** and determine whether they are positive or negative.	1.5.2 Demonstrate an understanding that people may respond to the same **incentive** in different ways because they may have different preferences.	1.8.2 Explain that self-interest is a motivational factor when people respond to **incentives**.	1.12.2 Recognizing that people act out of self-interest, predict how a change in the economic environment will affect the **choices** made by consumers, producers, and savers.	**Incentives and Preferences**
1.2.3 Give examples of all-or-nothing **choices** (e.g., choose music on or off).	1.3.3 Identify the **benefits** and the **costs** of an all-or-nothing **choice** (e.g., choose music on or off).	1.5.3 Demonstrate an understanding that choosing a little more or a little less generates either a **benefit** or a **cost**.	1.8.3 Identify the additional **benefits** and the additional **costs** that result from choosing a little more or a little less.	1.12.3 Examine decisions made by individuals, businesses, and government by comparing the **marginal benefits** and **marginal costs**.	**Cost versus Benefits**
		1.5.4 *Identify the **benefits** and **costs** of spending now versus saving for later.*	*1.8.4* *Evaluate career paths by comparing **costs** and **benefits**.*	*1.12.4* *Give examples of and evaluate the effectiveness of **incentive** systems used by parents, teachers, and employers.*	***Personal Economics***

Benefit: A satisfaction obtained.
Choice: A selection from a set of alternatives.
Cost: Anything given up when a **choice** is made.
Good: An object that can satisfy **wants** (e.g., a car).

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Economics

Content Standard 1.0: The Economic Way of Thinking: *Students will use fundamental economic concepts, including scarcity, choice, cost, incentives, and costs versus benefits to describe and analyze problems and opportunities, both individual and social.*

Incentive: A reward that encourages or a penalty that discourages.
Leisure Activity: An action performed by an individual that can satisfy the individual's own **wants** (e.g., skiing).
Marginal Benefit: The additional **benefit** obtained from choosing a little more or a little less.
Marginal Cost: The additional **cost** incurred by choosing a little more or a little less.
Opportunity Cost: The value of the best alternative given up when a **choice** is made.
Scarcity: A condition where human **wants** exceed available resources.
Service: An action performed by another that can satisfy **wants** (e.g., medical care).
Wants: Desires that can be satisfied by **goods, services,** or **leisure activities**. A *need* is a high priority **want**.

Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			2.8.1 Explain **gross domestic product (GDP)** and how it is used to describe a country's economic output.	2.12.1 Explain the difference between **nominal GDP** and **real GDP.**	**Measuring Economic Growth**
	2.3.2 Identify and use **per capita** measures in the classroom, (e.g., the number of pencils per student).	2.5.2 Identify and compare **per capita** measures for the U.S. for different time periods.	2.8.2 Given data on population and **GDP** for several countries, determine their **per capita GDP**, and compare with the U.S.	2.12.2 Using **real GDP per capita** as a measure of the standard of living, describe how living standards have changed over time.	
				2.12.3 Using the change in **real GDP**, examine the U.S. economy over time, identifying **recessions** and high and low rates of growth.	
		2.5.4 Define **inflation** and **deflation** and explain how they affect individuals.	2.8.4 Use the **consumer price index (CPI)** to compare the buying power of the U.S. dollar in one year with its buying power in another year.	2.12.4 Using a **price index** to measure **inflation**, identify when the U.S. economy has experienced high and low rates of inflation and discuss their effects.	**Measuring Inflation**

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Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
				2.12.5 Use various **price indexes** to determine how the prices of different types of goods and services have changed.	
	2.3.6 Discuss why people seek work.	2.5.6 Define **employment** and **unemployment**.	2.8.6 Identify the **unemployment rate** as the percentage of people in the **labor force** who are not working, but who are actively pursuing work.	2.12.6 Explain and give examples of the costs of **unemployment** to the economy as a whole (e.g., lost income, lost tax revenue, and additional welfare burdens).	**Measuring Unemployment**
			2.8.7 Distinguish between a high rate and a low rate of **unemployment** for the U.S. economy over time.	2.12.7 Compare the **unemployment rates** for groups of people who differ by age, gender, ethnic origin, occupation, and educational attainment.	
		2.5.8 Identify and give examples of **interest rates** for borrowing and saving.	2.8.8 Explain why riskier loans command higher **interest rates** than safer loans.	2.12.8 Explain why a **real interest rate** accurately measures the benefit of saving or the cost of borrowing.	**Measuring Interest**

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Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			2.8.9 Distinguish between high and low **interest rates** for the U.S. economy over time.	2.12.9 Demonstrate knowledge of when **interest rate** levels have experienced relative highs and relative lows throughout U.S. history and discuss their effects.	
			2.8.10 *Identify career fields that are experiencing growth and career fields that are experiencing decline.*	*2.12.10* *Characterize career paths according to the rates of growth and employment.*	***Personal Economics***
				2.12.11 *Explain ways a high **interest rate** could be detrimental or beneficial*	***Personal Economics***
				2.12.12 *Evaluate saving and borrowing options in terms of **interest** and compare long and short-term costs and benefits.*	

Consumer Price Index (CPI): An index that measures the average level of prices of goods and services typically consumed by an urban American family.
Deflation: A decrease in the general level of prices.
Employment: The condition of working for pay.
Gross Domestic Product (GDP): A monetary measure of the production of goods and services within a country.
Inflation: An increase in the general level of prices.
Interest Rate: The price (stated as a percentage) paid when money is borrowed or the price (stated as a percentage) received when money is saved.

Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Interest: A cost of borrowing money or a benefit of saving money.
Labor Force: The number of people who are either working, or not working and actively seeking work.
Nominal GDP: **GDP** not adjusted for the impact that **inflation** has on the buying power of money.
Per capita: Per person.
Price Index: A series of numbers that characterize how a set of prices has changed over time, where the percentage change in the **price index** provides a measure of the percentage change in the price level.
Real GDP: **Nominal GDP** adjusted for negative impact that **inflation** has on buying power.
Real Interest Rate: An **interest rate** that has been adjusted for the negative effect **inflation** has on buying power.
Recession: A period of time during which the **real GDP** of the economy is decreasing. An extreme recession is a depression.
Unemployment Rate: The percentage of people in the **labor force** who are not working, but who are actively pursuing work.
Unemployment: The condition of being without a job, but actively pursuing one.

Economics

Content Standard 3.0: Functioning of Markets: *Students will demonstrate an understanding of how markets work, including an understanding of why markets form, how supply and demand interact to determine market prices and interest rates, and how changes in prices act as signals to coordinate trade.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
3.2.1 Demonstrate an understanding of **trade.**	3.3.1 Differentiate between **barter** and **monetary trade.**	3.5.1 Explain why **trade** must be mutually beneficial.	3.8.1 Give examples of **markets** in which people benefit from trade.	3.12.1 Demonstrate an understanding that all voluntary **trade**, by definition, benefits both parties.	**Trade is Beneficial**
3.2.2 Give examples of **prices** people have paid when buying goods and services.	3.3.2 Give examples of **prices** received for selling goods and services.	3.5.2 Demonstrate an understanding of **supply** and **demand** in a **market.**	3.8.2 Explain how **supply** and **demand** function to determine **market prices**.	3.12.2 Use the concepts of **supply** and **demand** to analyze and predict the **price** changes occurring in **markets** for goods and services.	**Markets Determine Prices**
3.2.3 Explain why consumers choose to buy more when a **price** is low and why consumers choose to buy less when a **price** is high.	3.3.3 Explain why producers choose to sell more when a **price** is high and why producers choose to sell less when a **price** is low.	3.5.3 Contrast the effects of **price** changes on the behavior of buyers and sellers.	3.8.3 Explain why buyers **demand** less yet sellers **supply** more when **prices** go up.	3.12.3 Use the concept of **price elasticity** to analyze how buyers and sellers might adjust their purchase and sales decisions in response to **price** changes.	**Prices as Signals**
			3.8.4 Explain why buyers **demand** more yet sellers **supply** less when **prices** go down.	3.12.4 Discuss the effects of **price controls** (price ceilings and price floors) (e.g., minimum wage, rent control.).	
				3.12.5 Use **supply** and **demand** to explain how **interest rates** are determined.	**Determining Interest Rates**

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Economics

Content Standard 3.0: Functioning of Markets: *Students will demonstrate an understanding of how markets work, including an understanding of why markets form, how supply and demand interact to determine market prices and interest rates, and how changes in prices act as signals to coordinate trade.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			3.8.6 *Identify instances in which people might pay interest or receive interest.*	*3.12.6* *Analyze and predict instances in which people pay high and low* ***interest rates*** *(e.g., car loans and credit cards).*	***Personal Economics***
			3.8.7 *Explain the factors that should be considered when making individual purchasing decisions, given changes in prices.*	*3.12.7* *Analyze family spending decisions, drawing conclusions about the desirability of making substitutions, given the relative* ***prices*** *of various substitutes.*	

Barter: Direct trading of goods and services between people without using money.
Demand: (n.) The quantity of a good or service that buyers are willing to buy.
(v.) To offer to buy goods and services.
Interest Rate: The **price** (stated as a percentage) paid when money is borrowed or the **price** (stated as a percentage) received when money is saved.
Market: A collection of buyers and sellers of a particular good or service.
Monetary Trade: A **trade** in which money is used to pay for a good or service.
Price: Amount that must be paid for one unit of a good or service.
Price Control: A governmental action that sets **price** or limits changes in the **price**. A **price** ceiling is a limit above which no price can go. A **price** floor is a limit below which no price can go.
Price Elasticity: The percentage change in quantity bought or sold that results from a one-percent change in **price**.
Supply: (n.) The quantity of a good or service that sellers are willing to sell.
(v.) To offer to sell goods and services.
Trade: Voluntarily to exchange goods, services, or money for other goods, services, or money.

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Economics

Content Standard 4.0: Private U.S. Economic Institutions: *Students will describe the roles played by various U.S. economic institutions, including, but not limited to, financial institutions, labor unions, corporations, and not-for-profit organizations.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
4.2.1 Identify reasons people use **banks**.	4.3.1 Demonstrate an understanding of key banking terms, including **saving**, **interest**, and **borrowing**.	4.5.1 Identify financial institutions.	4.8.1 Explain the purposes and functions of financial institutions (e.g., to channel funds from savers to borrowers).	4.12.1 Analyze the roles of financial institutions in creating credit.	**Financial Institutions**
		4.5.2 Provide examples of **labor unions**.	4.8.2 Explain the purposes and functions of **labor unions** (e.g., collective bargaining).	4.12.2 Discuss how **labor unions** affect employees and employers.	**Labor Unions**
	4.3.3 Identify a for-profit organization in the community and a service it provides.	4.5.3 Explain the purposes for establishing for-profit organizations.	4.8.3 Explain the advantages and disadvantages of each of the three primary forms of business organizations: **sole proprietorship**, **partnership**, and **corporation**.	4.12.3 Identify current or historical mergers, buyouts, and acquisitions.	**For-profit Business Organizations**
	4.3.4 Identify a not-for-profit organization in the community and a service it provides.	4.5.4 Explain the purposes for establishing not-for-profit organizations.	4.8.4 Explain why not-for-profit organizations are tax exempt.	4.12.4 Explain how the services of not-for-profit organizations impact other economic institutions.	**Not-for-profit Organizations**
	4.3.5 *Identify reasons for **saving** money.*	*4.5.5* *Identify the rewards and risks of **saving** money in financial institutions.*	*4.8.5* *Compare the rewards and risks of **saving** and **borrowing money** with several types of financial institutions.*	*4.12.5* *Compare and contrast the services offered by financial institutions, evaluating their usefulness to borrowers and lenders.*	***Personal Economics***

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Economics

Content Standard 4.0: Private U.S. Economic Institutions: *Students will describe the roles played by various U.S. economic institutions, including, but not limited to, financial institutions, labor unions, corporations, and not-for-profit organizations.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			4.8.6 *Investigate careers associated with financial institutions, labor unions, for-profit business organizations, and not-for-profit organizations.*	*4.12.6* *Compare and contrast careers associated with financial institutions, labor unions, for-profit business organizations, and not-for-profit organizations.*	***Personal Economics***

Bank: A for-profit financial institution that accepts checking and **savings** deposits, and grants loans.
Borrowing: Contracting to receive money that must be paid back with **interest**.
Corporation: A business with multiple owners, where it and its officers are individually liable, but all owners (shareholders/stockholders) are not.
Interest: A cost of **borrowing** money or the benefit of **saving** money.
Labor Union: A group of workers who join together to affect wage rates and working conditions.
Partnership: A business with multiple owners, where the owners share liability.
Saving: Not spending income on consumption.
Sole Proprietorship: A business that has a single owner, where the owner is individually liable.

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Economics

Content Standard 5.0: Money: *Students demonstrate an understanding of various forms of money, how money makes it easier to trade, borrow, save, invest, and compare the value of goods and services; and how the Federal Reserve System and its policies affect the U.S. money supply.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
5.2.1 Explain what **money** is and how it is used.	5.3.1 Identify forms of **money**.	5.5.1 Explain why it is easier for people to save and trade using **money** rather than using other **commodities**.	5.8.1 Illustrate how prices stated in **money** terms help people compare the value of products.	5.12.1 Explain the three functions of **money**: **medium of exchange, store of value, unit of account.**	**Functions of Money**
				5.12.2 Explain why the **money supply** increases when banks make loans.	**The Federal Reserve and the Banking System**
				5.12.3 Explain how the Federal Reserve influences bank loan activity using the **reserve requirement**, **discount rate,** and **open market operations.**	
		5.5.4 Identify forms of **money** used in the U.S. prior to the 20th century.	5.8.4 Describe the transition from the use of **commodities** as **money** to the use of modern forms of **money**.	5.12.4 Describe the nation's current **money supply** measures, including **M1** and **M2**.	**History of Money**
	5.3.5 *Demonstrate an understanding that each family has a limited amount of* ***money*** *regardless of how it is accessed (through cash, check writing, or ATM).*	*5.5.5* *Give examples of purchases made using* ***credit***	*5.8.5* *Identify pros and cons of paying with cash versus using* ***credit***.	*5.12.5* *Explain what a* ***credit*** *rating is and how it affects access to money.*	***Personal Economics***

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Economics

Content Standard 5.0: Money: *Students demonstrate an understanding of various forms of money, how money makes it easier to trade, borrow, save, invest, and compare the value of goods and services, and how the Federal Reserve System and its policies affect the U.S. money supply.*

Commodity: An object that can be used as money, but also have value of their own.
Credit: The act of borrowing money or purchasing goods over time.
Discount rate: The interest rate that banks must pay when they borrow from the Federal Reserve.
M1: Coins, currency, and checking account deposits.
M2: M1 plus short-term savings accounts deposits and other various short term deposits.
Medium of Exchange: Something used to facilitate exchange.
Money Supply: Currency, coins, and checking account deposits.
Money: Anything widely accepted as a final payment for goods and services, including currency, coins, or checks. Credit cards, while accepted for payment, are not a final form of payment. Credit card loans are short-term loans, not money.
Open Market Operations: Purchases and sales of financial assets (e.g., government bonds) by the Federal Reserve.
Reserve Requirements: The percentage of deposits that commercial banks must hold to meet withdrawal demands.
Store of Value: Something used to transfer buying power into the future.
Unit of Account: Something used to measure value.

Economics

Content Standard 6.0: The U.S. Economy as a Whole: *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates resources, determines the nation's production, income, unemployment, and price levels; and leads to variations in individual income levels.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		6.5.1 Discuss the **resources** needed for production in households, schools, and community groups.	6.8.1 Explain ways in which households, schools, or community groups allocate **resources**.	6.12.1 Compare the benefits and costs of allocating **resources** through markets or government.	**Resource Allocation**
6.2.2 Explain what a **consumer** does.	6.3.2 Explain what a **producer** does.	6.5.2 Demonstrate an understanding that an individual can be both a **consumer** and a **producer**.	6.8.2 Explain how **consumer** and **producer** reactions to price changes affect **resource** allocation.	6.12.2 Discuss how an economy determines what goods and services will be produced, how they will be produced, and who will receive them.	
		6.5.3 Recognize the three types of productive **resources**: natural (e.g., minerals) human (e.g., educated workers) and capital (e.g., machinery.)	6.8.3 Explain how the current utilization of a productive **resource** affects the availability of that **resource** in the future.	6.12.3 Analyze the potential production of goods and services for a nation as determined by its **resources** and **technology**.	**The Nation's Production Level**
	6.3.4 Demonstrate an understanding of income and give examples of income.	6.5.4 Illustrate how one person's spending becomes another person's income.	6.8.4 Explain the **circular flow of economic activity.**	6.12.4 Use the **multiplier** concept to explain why an initial change in spending (by consumers, firms, or governments) can result in a larger change in national income.	**The Nation's Income Level**

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Economics

Content Standard 6.0: The U.S. Economy as a Whole: *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates resources; determines the nation's production, income, unemployment, and price levels; and leads to variations in individual income levels.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		6.5.5 Identify factors within an individual's control that can affect the likelihood of being employed.	6.8.5 Identify factors that can affect an individual's likelihood of being unemployed.	6.12.5 Make connections between the nation's **unemployment rate** and changes in seasons, changes in an industry, and changes in demographics.	**The Nation's Unemployment Rate**
6.2.6 Give examples of ways people earn money by working.	6.3.6 Demonstrate an understanding that different jobs require different skills and people receive different levels of income.	6.5.6 Describe how income reflects choices people make about education, training, skill development, lifestyle, and careers.	6.8.6 Explain that the wage an individual earns is affected by his or her productivity and by the market value of the goods or services he or she produces.	6.12.6 Explain how and why changes in product demand can affect the price of the product, which in turn can affect the wages paid to a worker.	**Differences in Individual Incomes**
			6.8.7 *Identify a career path of interest and explain how the associated earnings are affected by the market.*	*6.12.7* *Assess the attractiveness of career paths of interest and how they might be affected by changes in the national economy.*	***Personal Economics***

Circular Flow of Economic Activity: A descriptive model that shows that households pay businesses for goods and services; businesses pay households for productive **resources** (natural, human, capital); both households and businesses pay taxes to the government so government can provide public services.
Consumer: A person who buys and uses goods and services.
Multiplier: The total spending generated from an initial one dollar spent.
Producer: A person who combines natural, human, and/or capital **resources** to make goods or provide services.
Resource: In economics, a natural, human, and capital factor utilized in the production of goods and services.
Technology: In economics, the pool of existing knowledge.
Unemployment Rate: The percentage of people in the labor force who are not working, but are seeking work.
Unemployment: The condition of being without a job, but actively pursuing one.

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Economics

Content Standard 7.0: An Evolving Economy: *Students will demonstrate an understanding of how investment, entrepreneurship, competition, and specialization lead to changes in an economy's structure and performance.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
7.2.1 Explain how tools and machinery may help a person work faster or better, or make a person's work easier.	7.3.1 Explain how skill training and education can enhance the ability to produce goods and services.	7.5.1 Provide an example of how purchasing a tool or acquiring education can be an **investment**.	7.8.1 Explain how **investment** improves standards of living by increasing productivity.	7.12.1 Describe the past, present, and future role of **investment** in enhancing economic growth and raising living standards.	**Investment**
				7.12.2 Identify the benefits and the costs of investing in new **physical capital** and new **human capital.**	
				7.12.3 Examine government's impact on **investment** through taxes, fees, government regulation, enterprise zones, and subsidies.	
7.2.4 Give examples of **inventions**.	7.3.4 List examples of **entrepreneurs**.	7.5.4 Describe the characteristics of an **entrepreneur.**	7.8.4 Describe the advantages and disadvantages of being an **entrepreneur**.	7.12.4 Discuss how **entrepreneurs** affect the economy by solving problems, taking risks, and taking advantage of opportunities to earn profits.	**Entrepreneurship**

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Economics

Content Standard 7.0: An Evolving Economy: *Students will demonstrate an understanding of how investment, entrepreneurship, competition, and specialization lead to changes in an economy's structure and performance.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
	7.3.5 Describe what it means to compete.	7.5.5 Give examples of ways sellers compete.	7.8.5 Illustrate how **competition** among sellers decreases prices, while **competition** among buyers increases prices.	7.12.5 Explain how individual self-interest, channeled through the marketplace, can increase the overall standard of living.	**Competition**
		7.5.6 Explain why **specialization** increases productivity and **interdependence**.	7.8.6 Give examples of how **specialization** is facilitated by trade.	7.12.6 Discuss the pros and cons of **specialization** and **interdependence**.	**Specialization**
		7.5.7 *Describe the steps an **entrepreneur** would take to start a business.*	*7.8.7* *Give examples of ways **investment** can improve students performance in school, sports, etc.*	*7.12.7* *Explain why top performers in any field are specialists.*	***Personal Economics***

Competition: The rivalry among sellers and rivalry among buyers in a market.
Entrepreneur: An individual who creatively combines resources to produce a good or service.
Human Capital: The existing stock of education and training.
Interdependence: The need for individuals and firms to rely on each other as a result of **specialization**.
Invention: A new process, technique, or new product.
Investment: An expenditure or activity that is intended to increase the productive capacity of the economy. (The word *investment* is also commonly used to describe an act of saving that leads to an increase in value, an act that is referred to as *saving* in this document.)
Physical Capital: The existing stock of tools and machinery.
Specialization: The concentration of effort on only one task or a few tasks.

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Economics

Content Standard 8.0: The Role of Government in a Market Economy: *Students will explain the role of government in a market economy.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			8.8.1 Give examples of the kinds of goods and services that government provides.	8.12.1 Explain why government provides **public goods** rather than allowing the market to provide them.	**Public Goods**
			8.8.2 Give examples of activities that benefit participants, yet harm non-participants.	8.12.2 Explain why government intervenes in markets in response to **externalities**.	**Externalities**
			8.8.3 Identify methods by which government redistributes income.	8.12.3 Discuss whether redistributing income is an appropriate role of government.	**Redistributing Income**
			8.8.4 Give examples of ways government protects property.	8.12.4 Demonstrate an understanding that government must define, establish, and enforce **property rights** in order for markets to function.	**Property Rights**
				8.12.5 Explain why it is possible that a government decision may impose costs on many, but only benefit a few.	**Political Decisions**

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Economics

Content Standard 8.0: The Role of Government in a Market Economy: *Students will explain the role of government in a market economy.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
				8.12.6 Explain how **fiscal policy** affects production, employment, and price levels (e.g., the effects of changes in government spending and taxation).	**Fiscal Policy**
		8.5.7 *Give examples of items for which a sales tax is charged and items for which a sales tax is not charged.*	*8.8.7* *Describe how paying sales, property, and income taxes affects the amount of money an individual has available for spending.*	*8.12.7* *Give examples of **mandates** that increase prices of goods and services in Nevada.*	***Personal Economics***

Externality: A positive effect (e.g., a benefit of immunization programs, accruing to those not immunized) or a negative effect, (e.g., health care cost due to industrial pollution) generated by an activity that impacts people who do not participate in the activity.
Fiscal Policy: Federal government actions related to government spending and/or taxation.
Mandate: Government requirement.
Property Rights: The right to exclude others from using a good or service and the right to transfer ownership of a resource.
Public Good: A good or service whose consumption by one individual does not prevent its consumption by other individuals.

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Economics

Content Standard 9.0: The International Economy: *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through trade, to peoples and cultures throughout the world.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students are able to do everything required in earlier grades and:	
	9.3.1 Give examples of goods the U.S. **imports** and **exports**.	9.5.1 Explain why the U.S. **imports** and **exports** goods.	9.8.1 Explain how governments use **tariffs** or **quotas** to restrict trade.	9.12.1 Analyze the pros and cons of foreign trade, comparing free trade with restricted trade.	**International Trade**
	9.3.2 Identify the countries of origin of commonly used products.	9.5.2 Describe how the exchange of goods and services around the world creates **interdependence** among people in different places (e.g., the production of a candy bar requires ingredients from different countries around the world).	9.8.2 Describe how economic **interdependence** among countries affects standards of living in those countries.	9.12.2 Describe how foreign economic events can impact the U.S. economy.	**Interdependence**
				9.12.3 Describe some characteristics of non-U.S. economies that affect international trade.	**Characteristics of Non-U.S. Economic Systems**
	9.3.4 Identify the currencies of other countries.	9.5.4 Give the value of the U.S. dollar in terms of the currencies of other countries.	9.8.4 Compute prices of U.S. products in terms of other countries' currencies.	9.12.4 Determine how a change in **exchange rates** affects the ability of residents of one country to consume products from other countries.	**Exchange Rates**
			9.8.5 *Identify goods that would not be readily available in U.S. stores if there were no international trade.*	*9.12.5* *Draw conclusions about how the prices of goods you purchase would change if imports were restricted.*	***Personal Economics***

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Economics

Content Standard 9.0: The International Economy: *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through trade, to peoples and cultures throughout the world.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students are able to do everything required in earlier grades and:	
				9.12.6 Discuss how potential career paths could be affected by changes in foreign demand for U.S. products.	***Personal Economics***

Exchange Rate: The price of one country's currency in terms of another country's currency.
Export: Good or service produced domestically and sold abroad.
Import: Good or service produced abroad and sold domestically.
Interdependence: The need for individuals and firms to rely on each other as a result of **specialization**.
Quota: A limit on the quantity of a good that may be imported in a given time period.
Tariff: A tax or duty imposed on imported goods.

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Social Studies Performance Level Descriptors
Economics
Grade 2

Content Standard 1.0	**The Economic Way of Thinking:** *Students will use fundamental economic concepts, including* ***scarcity, choice, cost, incentives,*** *and* ***costs*** *versus* ***benefits*** *to describe and analyze problems and opportunities, both individual and social.*
EXCEEDS STANDARD	Meet the standard and • Cite an example of a **choice**, list several alternatives, and identify the best alternative to the **choice** that was made
MEETS STANDARD	• Cite an example of a time when a **choice** was made and describe what was given up. • Give several accurate examples of all-or-nothing **choices**.
APPROACHES STANDARD	• Cite an example of a time when a **choice** was made, but have difficulty describing what was given up.
BELOW STANDARD	• Have difficulty citing an example of a **choice**. • Have difficulty giving examples or give inaccurate examples of all-or-nothing **choices**.

Social Studies Performance Level Descriptors
Economics
Grade 3

Content Standard 1.0	**The Economic Way of Thinking:** *Students will use fundamental economic concepts, including* ***scarcity, choice, cost, incentives,*** *and* ***costs*** *versus* ***benefits*** *to describe and analyze problems and opportunities, both individual and social.*
EXCEEDS STANDARD	Meet the standard and • Explain why **incentives** do not always work. • Evaluate whether the **benefits** exceeds the **costs**.
MEETS STANDARD	• Categorize **wants** as **goods, services,** and **leisure activities**. • Identify examples of **incentives** and categorize them as positive or negative. • Identify the **benefits** and the **costs** of an all-or-nothing **choice**.
APPROACHES STANDARD	• Identify **goods, services,** and **leisure activities,** but do not categorize them correctly. • Identify examples of **incentives**, but do not categorize them correctly. • Identify the **benefits** or the **costs** of an all-or-nothing **choice**.
BELOW STANDARD	• Have difficulty identifying **wants**. • Have difficulty identifying **incentives**. • Confuse **benefits/costs** of an all-or-nothing **choice**.

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A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 5

Content Standard 1.0	**The Economic Way of Thinking:** *Students will use fundamental economic concepts, including* ***scarcity, choice, cost, incentives,*** *and* ***costs*** *versus* ***benefits*** *to describe and analyze problems and opportunities, both individual and social*
EXCEEDS STANDARD	Meet the standard and • Give examples of situations in which **scarcity** requires a person to make a **choice** and identify **costs** associated with the decisions. • Give examples of situations in which people with different preferences make different decisions and offers insightful explanation of the difference in preferences.
MEETS STANDARD	• Describe a situation in which **scarcity** requires a person to make a **choice** and identify a **cost** associated with the decision. • Give examples of situations in which people with different preferences make different decisions. • Demonstrate an understanding that choosing a little more or a little less generates either a **benefit** or a **cost**.
APPROACHES STANDARD	• Describe a situation in which **scarcity** requires a person to make a **choice** and but have difficulty identifying a **cost** associated with the decision. • Give examples of situations in which people make different decisions but have difficulty explaining why. • Explain the difference between choosing a little more and making an all-or-nothing **choice**, but have difficulty explaining the **benefit** or **cost**.
BELOW STANDARD	• Confuse the relationship between **scarcity** and decision-making. • Have difficulty giving examples of situations in which people make different decisions. • Have difficulty explaining the difference between choosing a little more and making an all-or-nothing **choice**.

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Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 1.0	**The Economic Way of Thinking:** *Students will use fundamental economic concepts, including* ***scarcity***, ***choice***, ***cost***, ***incentives***, *and* ***costs*** *versus* ***benefits*** *to describe and analyze problems and opportunities, both individual and social.*
EXCEEDS STANDARD	Meet the standard and • Give an example of changing **incentives** to induce behavior change. • Given a group/class decision about consuming a particular **good** or engaging in an activity, identify the **costs** and **benefits** of consuming an additional unit and use this information to identify the best quantity.
MEETS STANDARD	• Given that a **choice** has been made among several alternatives, identify **opportunity cost** of **choice**. • Demonstrate an understanding that self-interest is a motivational factor when people respond to **incentives**. • For a particular **good** or activity, identify the **costs** and **benefits** of consuming an additional unit.
APPROACHES STANDARD	• Identify the alternatives to a **choice**, but have difficulty prioritizing and selecting the next best one. • Identify examples of **incentives** from a list, but have difficulty explaining the impact on behavior. • Recognize **costs** and **benefits**, but have difficulty determining the additional **cost/benefits** from consuming one more unit.
BELOW STANDARD	• Have difficulty identifying alternatives to a **choice** made. • Have difficulty recognizing **incentives**. • Confuse **costs** and **benefits**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 1.0	**The Economic Way of Thinking:** *Students will use fundamental economic concepts, including* ***scarcity, choice, cost, incentives,*** *and* ***costs*** *versus* ***benefits*** *to describe and analyze problems and opportunities, both individual and social*
EXCEEDS STANDARD	Meet the standard and • Accurately applies the concepts of **marginal benefit** and **marginal cost** to a locally proposed change in a government program (e.g. a new park, lower school budget, a new freeway) and analyzes how the program change may affect individuals, businesses, and local government.
MEETS STANDARD	• Explain why two high school seniors in the same situation may make different decisions. • Recognizing that people act in their own self-interest, analyze and predict how an economic change (e.g. a large employer moving in or out of the community) will affect the **choices** made by local **consumers**, **producers**, and savers. • Use the concepts of **marginal benefit** and **marginal cost** to explain the effects of a proposed change in a government program (e.g. a new park, lower school budgets, a new freeway) on individuals, businesses, and local government.
APPROACHES STANDARD	• Identify decisions two high school seniors may make in the same situation, but have difficulty explaining why they may differ. • Recognizing that people act in their own self-interest, analyze and predict how an economic change (e.g. a large employer moving in or out of the community) will affect at least one of the following: **consumers**, **producers**, worker, savers, and other citizens. • Apply with limited success the concepts of **marginal benefit** and **marginal cost** to the effects of a proposed change in a government program on individuals, businesses, and local government.
BELOW STANDARD	• Have difficulty identifying decisions two high school seniors may make in the same situation. • Have difficulty recognizing that people act in their own self-interest. • Confuse **marginal benefit** and **marginal cost**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 3

Content Standard 2.0	**Measuring U.S. Economic Performance:** *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues*
EXCEEDS STANDARD	Meet the standard and • Describe a situation in which the concept of **per capita** is used.
MEETS STANDARD	• Identify and use **per capita** measures in the classroom (e.g., the number of pencils per student). • Give reasons why people seek work.
APPROACHES STANDARD	
BELOW STANDARD	• Have difficulty explaining **per capita**. • Have difficulty why people seek work.

Social Studies Performance Level Descriptors
Economics
Grade 5

Content Standard 2.0	**Measuring U.S. Economic Performance:** *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues*
EXCEEDS STANDARD	Meet the standard and • Compare **per capita** measures for the U.S. in different time periods and draw a conclusion about changes in American life. • Define **inflation** and **deflation**, explain how it affects individuals, and explains the relevance of income changes.
MEETS STANDARD	• Compare **per capita** measures for the U.S. in different time periods. • Define **inflation** and **deflation** and explain how it affects individuals. • Define **employment** and **unemployment**. • Identify and give examples of **interest rates** for **borrowing** and **saving**.
APPROACHES STANDARD	• Describe **per capita** measures, but have difficulty comparing measures for different time periods. • Define **inflation** and **deflation** but have difficulty explaining how it affects individuals
BELOW STANDARD	• Have difficulty describing **per capita** measures. • Confuse **inflation** and **deflation**. • Confuse **employment** and **unemployment**. • Have difficulty giving examples of **interest rates**:.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 2.0	**Measuring U.S. Economic Performance:** *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*
EXCEEDS STANDARD	Meet the standard and • Describe changes in U.S. **gross domestic product (GDP)** over the past ten years. • Compare the **unemployment rate** in the U.S. with **unemployment rates** in other countries. • Compare the **interest rate** in the U.S. with **interest rates** in other countries.
MEETS STANDARD	• Calculate **gross domestic product (GDP) per capita** by dividing a country's **GDP** by its population and compare **GDP per capita** for several countries, including the United States. • Use the **Consumer Price Index (CPI)** to compare the buying power of the U.S. dollar in one year with its buying power in another year. • Identify the **unemployment rate** as the percentage of people in the **labor force** who are not working. • Given a historical graph of **unemployment rates** in the U.S., determine whether the current **unemployment rate** is high or low. • Explain why riskier loans command higher **interest rates** than safer loans. • Given a historical graph of **interest rates** in the U.S., determine whether the current **interest rate** is high or low.
APPROACHES STANDARD	• Demonstrate an understanding of **Consumer Price Index (CPI)**, but does not use it to compare buying power in different years. • Identify the current **unemployment rate**, but have difficulty distinguishing whether it is a high or low rate. • Give examples of risky loans, but have difficulty explaining why they command high **interest rates**. • Identify the current **interest rate**, but have difficulty distinguishing whether it is a high or low rate.
BELOW STANDARD	• Have difficulty calculating **gross domestic product (GDP)**. • Have difficulty using the **Consumer Price Index (CPI)**. • Have difficulty identifying the current **unemployment rate**. • Have difficulty demonstrating an understanding of the concept of a risky loan. • Have difficulty identifying the current **interest rate**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 2.0	**Measuring U.S. Economic Performance:** *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*
EXCEEDS STANDARD	Meet the standard and • Given a table showing nominal and **real GDP** over some time period, describe why an increase in **nominal GDP** may or may not represent an increase in actual production of **goods** or **services** in the economy. • Describe how **real GDP per capita** is determined and infer how living standards have changed over time given sample historical data. • Describe the **CPI**, how **inflation/deflation** is measured, and the impact of **inflation/deflation** on different types of individuals, **markets**, and businesses. • Accurately infer from five to ten years of **Consumer Price Index** data and **Producer Price Index** data the effects of **price** changes on three **consumer goods** and three **producer**-purchased **goods** and the implications on **consumers** and **producers**. • Identify from historical data times when there has been high **unemployment** and explain with examples the impact on the economy as a whole in terms of lost income, lost tax revenue, and welfare burdens on the states. • When presented with current data on **unemployment** by age, gender, race, ethnic origin, occupation, and educational attainment, hypothesize one or more reasons for differences in **unemployment rates**. • Give historical data presented in graphic form, analyze and discuss how **interest costs** have had an impact on **consumer** and business decisions to purchase **goods** during periods of relatively high and low **interest rates**.
MEETS STANDARD	• Explain the difference between nominal (**GDP**) and **real GDP**. • Describe the meaning of **real GDP per capita** and explain how living standards have changed over time given sample historical data. • Identify from historical data the changes in **real GDP** over time and identify time periods of high/low rates of economic growth. • Using a **price index** (e.g. **Consumer Price Index (CPI)**), identify when the U.S. economy has experienced high and low rates of **inflation** and discuss the impact of **inflation/deflation** on two different groups (e.g. home owners and renters). • Accurately infer from five to ten years of **Consumer Price Index** data and **Producer Price Index** data the effects of **price** changes on two **consumer goods** and two **producer**-purchased **goods**. • Given historical data showing high **unemployment**, describe with examples the impact on the economy as a whole in terms of lost income, lost tax revenue, and welfare burdens on the states. • When presented with current data on **unemployment** by age, gender, race, ethnic origin, occupation, and educational attainment, compare and contrast the differences in **unemployment rates** by group. • Explain why a **real interest rate** accurately measures the **benefit** of **saving** or the **cost** of **borrowing**. • Given historical data presented in graphic form that shows periods of high and low **interest rates**, explains how **interest rate** changes affect **consumer** and business decisions to purchase **goods** during periods of high and low **interest rates**.

A glossary of key economic terms is provided for all highlighted words.

APPROACHES STANDARD	• Explain **real GDP per capita**, but have difficulty relating it to living standards. • Demonstrate limited success in identifying from historical data the changes in **real GDP** over time as well as periods of **inflation/recession** and high/low rates of economic growth. • Describe with assistance the meaning of **CPI** and its relationship to measurement of **inflation/deflation**. • Infer with limited accuracy from five to ten years of **Consumer Price Index** and **Producer Price Index** data the effects of **price** changes on two **consumer goods** and two **producer**-purchased **goods**. • Given historical data showing high **unemployment**, describe some of the impact on the economy as a whole.
BELOW STANDARD	• Confuse **nominal GDP** and **real GDP**. • Have difficulty explaining **real GDP**. • Have difficulty interpreting a historical data table of **real GDP**. • Have difficulty describing the **CPI**. • Have difficulty explaining the relationship between indices and **prices** of **goods**. • Have difficulty interpreting historical data on **unemployment**. • When presented with current data on **unemployment** by different categories of people, have difficulty making comparisons and identifying contrasts. • Have difficulty explaining why a **real interest rate** accurately measures the **benefit** of **saving** or the **cost** of **borrowing**. • Have difficulty interpreting historical data presented in graphic form.

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A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 2

Content Standard 3.0	**Functioning of Markets:** *Students will demonstrate an understanding of how **markets** work, including an understanding of why **markets** form, how **supply** and **demand** interact to determine **market prices** and **interest rates**, and how changes in **prices** act as signals to coordinate **trade**.*
EXCEEDS STANDARD	Meet the standard and • Give examples of **monetary trade**.
MEETS STANDARD	• Give examples of **trade**. • Give examples of **prices** people have paid when buying **goods** and **services**. • Explain why **consumers** choose to buy more when a **price** is low and why **consumers** choose to buy less when a **price** is high.
APPROACHES STANDARD	
BELOW STANDARD	• Have difficulty giving examples of **trade**. • Have difficulty giving examples in which people pay **money** when buying **goods** and **services**. • Have difficulty explaining the relationship between **prices** and buying decisions.

Social Studies Performance Level Descriptors
Economics
Grade 3

Content Standard 3.0	**Functioning of Markets:** *Students will demonstrate an understanding of how **markets** work, including an understanding of why **markets** form, how **supply** and **demand** interact to determine **market prices** and **interest rates**, and how changes in **prices** act as signals to coordinate **trade**.*
EXCEEDS STANDARD	Meet the standard and • Give examples of **barter** and **monetary trade**.
MEETS STANDARD	• Differentiate between **barter** and **monetary trade**. • Give examples of **prices** received for selling **goods** and **services**. • Explain why **producers** choose to sell more when a **price** is high and why **producers** choose to sell less when a **price** is low.
APPROACHES STANDARD	• Give examples of receiving **money** for items, but have difficulty stating the **price**.
BELOW STANDARD	• Confuse **barter** and **monetary trade**. • Have difficulty giving examples in which people receive **money** for items. • Confuse the relationship between **prices** and selling decisions.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 5

Content Standard 3.0	**Functioning of Markets:** *Students will demonstrate an understanding of how* ***markets*** *work, including an understanding of why* ***markets*** *form, how* ***supply*** *and* ***demand*** *interact to determine* ***market prices*** *and* ***interest rates****, and how changes in* ***prices*** *act as signals to coordinate* ***trade****.*
EXCEEDS STANDARD	Meet the standard and • Defend the statement, "**Trade** is always mutually beneficial," using the logical argument that **trade** is voluntary by definition; therefore, it must be mutually beneficial. • Use a graph to help define **supply** and **demand** in a **market** and explain the difference between the two concepts. • Use the **supply** and **demand** graph to contrast the effects of a **price** changes on the behavior of buyers and sellers.
MEETS STANDARD	• Defend the statement, "**Trade** is always mutually beneficial," with supporting examples. • Demonstrate an understanding of **supply** and **demand** in a **market**. • Contrast the effects of a **price** changes on the behavior of buyers and sellers.
APPROACHES STANDARD	• Give obvious examples of mutually beneficial **trades**. • Demonstrate an understanding of **supply** or **demand** in a **market**, but not both. • Correctly identify the effects of a **price** change on the behavior of buyers or sellers, but not both.
BELOW STANDARD	• Have difficulty giving examples of mutually beneficial **trades**. • Confuse **supply** and **demand**. • Confuse the effects of a **price** change on buyers and sellers.

Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 3.0	**Functioning of Markets:** *Students will demonstrate an understanding of how* ***markets*** *work, including an understanding of why* ***markets*** *form, how* ***supply*** *and* ***demand*** *interact to determine* ***market prices*** *and* ***interest rates****, and how changes in* ***prices*** *act as signals to coordinate* ***trade****.*
EXCEEDS STANDARD	Meet the standard and • Explain how people benefit from **trade**. • Give examples of changes in **supply** and **demand** and explain why they led to **price** changes. • Given a **supply** and **demand** diagram, in which the **price** is not at equilibrium, identify the quantity that people want to buy and the quantity that people want to sell.
MEETS STANDARD	• Give examples of **markets** in which people benefit from **trade**. • Explain how **supply** and **demand** function to determine **market prices**. • Explain why buyers **demand** less, yet sellers **supply** more when **prices** go up. • Explain why buyers **demand** more, yet sellers **supply** less when **prices** go down.
APPROACHES STANDARD	• Explain why buyers **demand** less or why sellers **supply** more when **prices** go up, but not both. • Explain why buyers **demand** more or why sellers **supply** less when **prices** go down, but not both.
BELOW STANDARD	• Have difficulty giving an example of a **market**. • Confuse **supply** and **demand** functions. • Have difficulty explaining why buyers **demand** less and why sellers **supply** more when **prices** go up. • Have difficulty explaining why buyers **demand** more and why sellers **supply** less when **prices** go down.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 3.0	**Functioning of Markets:** *Students will demonstrate an understanding of how **markets** work, including an understanding of why **markets** form, how **supply** and **demand** interact to determine **market prices** and **interest rates**, and how changes in **prices** act as signals to coordinate **trade**.*
EXCEEDS STANDARD	Meet the standard and • Explain how the satisfaction (utility) of both parties in a voluntary **trade** situation increases. • Explain the difference between elastic and inelastic **supply** and **demand**, and predict and analyze buyer and/or seller behavior with respect to **price** changes of products. • Debate the short and long term effects of a government imposed **price** ceiling on some product and a **price** floor on another product, by offering illustrations of **price** floors and ceilings. • Given tabular or graphic data on the **supply** and **demand** for **money**, explain how **interest rates** are determined, and relate the resulting rate of **interest** to purchases of certain products.
MEETS STANDARD	• Describe in own words that voluntary **trade** is beneficial to both parties in a trading situation. • Use the concepts of **supply** and **demand** to analyze and predict the **price** changes occurring in **markets** for **goods** and **services**. • Explain the meaning of elasticity of **supply** and **demand** and give at least two examples of buyer and seller behavior to illustrate the meaning. • Analyze the effects of a government-imposed **price** ceiling on a product or a **price** floor on another product. • Given tabular or graphic data on the **supply** and **demand** for **money**, explain how **interest rates** are determined.
APPROACHES STANDARD	• Use the concepts of **supply** and **demand** to analyze changes in **markets**, but **price** change prediction is inaccurate. • Demonstrate an understanding of the difference between a **price** floor and a **price** ceiling, but has difficulty presenting the effects of either policy. • Demonstrate an understanding that the **price** of **money** is the rate of **interest**, but cannot state why.
BELOW STANDARD	• Have difficulty explaining that voluntary **trade benefits** both parties. • Have difficulty using the concepts of **supply** or **demand**. • Confuse elasticity and inelasticity and is unclear about buyer and seller behavior. • Confuse a **price** floor and a **price** ceiling and has difficulty citing examples. • Have difficulty explaining how the rate of **interest** is determined.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 2

Content Standard 4.0	**Private U.S. Economic Institutions:** *Students will describe the roles played by U.S. economic institutions including financial institutions, **labor unions**, **corporations**, and not-for-profit organizations*
EXCEEDS STANDARD	Meet the standard and • Name a **bank**.
MEETS STANDARD	• Identify reasons people use **banks**.
APPROACHES STANDARD	
BELOW STANDARD	• Have difficulty identifying reasons people use **banks**.

Social Studies Performance Level Descriptors
Economics
Grade 3

Content Standard 4.0	**Private U.S. Economic Institutions:** *Students will describe the roles played by U.S. economic institutions including financial institutions, **labor unions**, **corporations**, and not-for-profit organizations*
EXCEEDS STANDARD	
MEETS STANDARD	• Demonstrate an understanding of key banking terms, including ***savings***, ***interest***, and ***borrowing***. • Identify a for-profit organization in the community and a **service** it provides. • Identify a not-for-profit organization in the community and one **service** provided.
APPROACHES STANDARD	• Demonstrates an incomplete understanding of key banking terms, including ***savings***, ***interest***, and ***borrowing***.
BELOW STANDARD	• Confuses key banking terms, including ***savings***, ***interest***, and ***borrowing***. • Have difficulty identifying a not-for-profit organization in the community.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 5

Content Standard 4.0	**Private U.S Economic Institutions:** *Students will describe the roles played by various U.S. economic institutions, including, but not limited to, financial institutions, **labor unions**, corporations, and not-for-profit organizations.*
EXCEEDS STANDARD	Meet the standard and • Describe some of the groups **labor unions** represent. • Identify the three common forms of business organizations and give examples. • Identify some not-for-profit organizations, explains their purposes and explains why they are tax-exempt.
MEETS STANDARD	• Identify financial institutions (e.g., **banks**, **credit** unions, and brokerage firms). • Provide examples of **labor unions**. • Explain the purposes for establishing for-profit organizations. • Explain the purposes for not-for-profit organizations.
APPROACHES STANDARD	• Identify some of the common forms of business organizations.
BELOW STANDARD	• Have difficulty identifying financial institutions (e.g., **banks**, **credit** unions, and brokerage firms). • Have difficulty providing examples of **labor unions**. • Have difficulty explaining the purposes of a not-for-profit organization.

Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 4.0	**Private U.S. Economic Institutions:** *Students will describe the roles played by U.S. economic institutions including financial institutions, **labor unions**, **corporations**, and not-for-profit organizations.*
EXCEEDS STANDARD	Meet the standard and • Explain the value of people pooling their savings. • Describe a current or past **labor union** issue.
MEETS STANDARD	• Describe **services** that financial institutions provide for their customers (e.g. to channel funds from savers to borrowers). • Describe **services** that **labor unions** provide for their members (e.g. collective bargaining). • Explain the advantages and disadvantages of each of the three primary forms of business organizations: **sole proprietorship**, **partnership**, and **corporation**. • Explain why not-for-profit organizations are tax exempt.
APPROACHES STANDARD	• Give examples of financial institutions. • Explain what a **labor union** is without an explanation of its purpose.
BELOW STANDARD	• Incorrectly identify **services** provided by financial institutions. • Incorrectly identify **services** provided by **labor unions**. • Confuse the three forms of business organization. • Have difficulty explaining why not-for-profit organizations are tax exempt.

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A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 4.0	**Private U.S. Economic Institutions:** *Students will describe the roles played by U.S. economic institutions including financial institutions, **labor unions**, **corporations**, and not-for-profit organizations.*
EXCEEDS STANDARD	Meet the standard and • Contrast the **benefits** and problems that **labor unions** have brought about in the U.S. • Describe the issues related to a current merger, buyout, or acquisition. • Explain how a not-for-profit organization (e.g., YMCA) might put a for-profit organization (e.g., Gold's Gym) at a competitive disadvantage.
MEETS STANDARD	• Analyze the roles of financial institutions in creating **credit**. • Explain how **labor unions** affect employees and employers. • Identify a current or an historical merger, buyout, and/or acquisition. • Explain how the **services** of not-for-profit organizations impact other economic institutions.
APPROACHES STANDARD	• Describe **labor unions**. • Have difficulty explaining the differences between a not-for-profit organization and a for-profit organization.
BELOW STANDARD	• Have difficulty explaining **credit** creation. • Demonstrate a lack of understanding of **labor unions**. • Have difficulty identifying a merger, buyout, or acquisition. • Confuse not-for-profit organizations and for-profit organizations.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 2

Content Standard 5.0	**Money:** *Students demonstrate an understanding of forms of* ***money****, how* ***money*** *makes it easier to* ***trade****, borrow, save, invest, and compare the value of* ***goods*** *and* ***services****, and how the Federal Reserve System and its policies affect the U.S.* ***money supply****.*
EXCEEDS STANDARD	
MEETS STANDARD	• Explain that **money** is used to purchase **goods** and **services**.
APPROACHES STANDARD	
BELOW STANDARD	• Have difficulty explaining that **money** is used to purchase **goods** and **services**.

Social Studies Performance Level Descriptors
Economics
Grade 3

Content Standard 5.0	**Money:** *Students demonstrate an understanding of forms of* ***money****, how* ***money*** *makes it easier to* ***trade****, borrow, save, invest, and compare the value of* ***goods*** *and* ***services****, and how the Federal Reserve System and its policies affect the U.S.* ***money supply****.*
EXCEEDS STANDARD	Meet the standard and • Describe the advantages and disadvantages of using each of the forms of **money**.
MEETS STANDARD	• Identify forms of **money**, including cash, checks, debit cards.
APPROACHES STANDARD	
BELOW STANDARD	• Confuse the different forms of **money**.

Social Studies Performance Level Descriptors
Economics
Grade 5

Content Standard 5.0	**Money:** *Students demonstrate an understanding of forms of* ***money****, how* ***money*** *makes it easier to* ***trade****, borrow, save, invest, and compare the value of* ***goods*** *and* ***services****, and how the Federal Reserve System and its policies affect the U.S.* ***money supply****.*
EXCEEDS STANDARD	Meet the standard and • Articulate the advantages of a uniform currency.
MEETS STANDARD	• Explain why it is easier for people to save and **trade** using **money** rather than using other **commodities**. • Identify forms of **money** used in the U.S. prior to the 20th century.
APPROACHES STANDARD	• Illustrate that it is easier for people to save and **trade** using **money** rather than using other **commodities**.
BELOW STANDARD	• Have difficulty illustrating that it is easier for people to save and **trade** using **money** rather than using other **commodities**. • Have difficulty identifying historical forms of **money**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 5.0	**Money:** *Students demonstrate an understanding of forms of* ***money****, how* ***money*** *makes it easier to* ***trade****, borrow, save, invest, and compare the value of* ***goods*** *and* ***services****, and how the Federal Reserve System and its policies affect the U.S.* ***money supply****.*
EXCEEDS STANDARD	Meet the standard and • Identify historical examples of objects used as **money** and explain why they are no longer used.
MEETS STANDARD	• Illustrate how **prices** stated in **money** terms help people compare the value of products. • Describe the transition from the use of **commodities** as **money** to the use of modern forms of **money**.
APPROACHES STANDARD	
BELOW STANDARD	• Confuse the relationship between **price** and product value. • Have difficulty describing the transition from the use of **commodities** as **money** to the use of modern forms of **money**.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 5.0	**Money:** *Students demonstrate an understanding of forms of* ***money****, how* ***money*** *makes it easier to* ***trade****, borrow, save, invest, and compare the value of* ***goods*** *and* ***services****, and how the Federal Reserve System and its policies affect the U.S.* ***money supply****.*
EXCEEDS STANDARD	Meet the standard and • Describe the significance of the three functions of **money**. • Explain why **money** is created when commercial **banks** lend **money** but not when other financial institutions lend **money**. • Explain why the Federal Reserve may choose one policy instrument over another to control the **money supply**. • Compare and contrast how and why businesses and individuals hold and spend **money**.
MEETS STANDARD	• Explain the three functions of **money**: **medium of exchange**, **store of value**, and **unit of account**. • Explain how the commercial **banking** system creates **money** by making loans. • Describe the three primary policy instruments used by the Federal Reserve to control the **money supply**: reserve requirement, **discount rate**, and **open market operations**. • Define **M1** and **M2**.
APPROACHES STANDARD	• Identify the three functions of **money**, but does not accurately explain them. • Demonstrate an incomplete understanding of how the commercial banking system creates **money**. • Name the primary policy instruments used by the Federal Reserve. • Demonstrate an understanding of the components of **M1**.
BELOW STANDARD	• Have difficulty identifying the functions of **money**. • Demonstrate an inaccurate understanding of the role of the commercial banking system in **money** creation. • Confuse the primary policy instruments used by the Federal Reserve. • Have difficulty identifying components of the **money supply**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 2

Content Standard 6.0	**The U.S. Economy as a Whole:** *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates* ***resources****, determines the nation's production, income,* ***unemployment****, and* ***price*** *levels, and leads to variations in individual income levels.*
EXCEEDS STANDARD	Meet the standard and • Explain that **consumers** buy **goods** and **services** from **producers**.
MEETS STANDARD	• Explain that **consumers** buy **goods** and **services**. • Give examples of ways people earn **money**.
APPROACHES STANDARD	
BELOW STANDARD	• Have difficulty explaining the role of a **consumer**.

Social Studies Performance Level Descriptors
Economics
Grade 3

Content Standard 6.0	**The U.S. Economy as a Whole:** *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates* ***resources****, determines the nation's production, income,* ***unemployment****, and* ***price*** *levels, and leads to variations in individual income levels.*
EXCEEDS STANDARD	Meet the standard and • Demonstrate an understanding that an individual can be both a **consumer** and **producer**.
MEETS STANDARD	• Explain that **producers** sell **goods** and **services**. • Demonstrate an understanding of income and give examples of income. • Compare jobs by identifying their pay and their required skills.
APPROACHES STANDARD	
BELOW STANDARD	• Have difficulty explaining that **producers** sell **goods** and **services**. • Demonstrate a lack of understanding of income. • Confuse different types of jobs.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 5

Content Standard 6.0	**The U.S. Economy as a Whole:** *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates* ***resources****, determines the nation's production, income,* ***unemployment****, and* ***price*** *levels, and leads to variations in individual income levels.*
EXCEEDS STANDARD	Meet the standard and • Explain ways households, schools, and community groups allocate these **resources**. • Categorize **resources**. • Explain how a reduction in one person's spending affects other people's income.
MEETS STANDARD	• Discuss the **resources** needed for production in households, schools, and community groups. • Demonstrate an understanding that an individual can be both a **consumer** and a **producer**. • Recognize the three types of productive **resources**, natural **resources**, (e.g. minerals), human **resources** (e.g. educated workers), and capital **resources** (e.g. machinery). • Illustrate how one person's spending becomes another person's income. • Identify factors within an individual's control that can affect the likelihood of being employed (e.g., work experience, education, training, and skills). • Describe how income reflects **choices** people make about education, training, skill development, lifestyle and careers.
APPROACHES STANDARD	• Identifiy items produced in households, schools, and community groups, but have difficulty identifying **resources** used in production. • Demonstrate the roles of **consumers** and **producers**, but have difficulty explaining that an individual can fill both roles. • Identify some types of productive **resources**, but not all. • Illustrate with assistance how one person's spending becomes another person's income. • Describe how income reflects **choices** people make about some of the following: education, training, skill development, lifestyle and careers.
BELOW STANDARD	• Have difficulty identifying **resources** used in production by households, schools, and community groups. • Confuse **consumers** and **producers**. • Have difficulty identifying productive **resources**. • Have difficulty explaining the relationship between one person's spending and another person's income • Have difficulty relating **employment** to factors within an individual's control. • Have difficulty describing how income reflects **choices** people make about education training, skill development, lifestyle and careers.

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A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 6.0	**The U.S. Economy as a Whole:** *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates* ***resources****, determines the nation's production, income,* ***unemployment****, and* ***price*** *levels, and leads to variations in individual income levels.*
EXCEEDS STANDARD	Meet the standard and • Give an example of a time when **consumers** demanded more of a product and **producers** responded by increasing output. • Give an example of a **resource** for which current utilization is controversial because it threatens the availability of that **resource** in the future and explain the controversy.
MEETS STANDARD	• Explain ways in which households, schools, or community groups allocate **resources**. • Explain how **consumer** and **producer** reactions to **price** changes affect **resource** allocation. • Explain how the current utilization of a productive **resource** affects the availability of that **resource** in the future. • Explain the **circular flow of economic activity**. • Identify factors that can affect an individual's likelihood of being unemployed. • Explain that the wage an individual earns is affected by his or her productivity and by the **market** value of the **goods** or **services** he or she produces.
APPROACHES STANDARD	• Explain the current utilization of a productive **resource**, but have difficulty explaining the connection with the availability of that **resource** in the future. • Provide incomplete explanation of the **circular flow of economic activity**.
BELOW STANDARD	• Have difficulty explaining ways in which households, schools, or community groups allocate **resources**. • Confuse **consumer** and **producer** reactions to **price** changes. • Have difficulty explaining the current utilization of **resources**. • Provide inaccurate explanation of the **circular flow of economic activity**. • Have difficulty identifying factors that can affect an individual's likelihood of being unemployed. • Have difficulty explaining that the wage an individual earns is affected by his or her productivity and by the **market** value of the **goods** or **services** he or she produces.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 6.0	**The U.S. Economy as a Whole:** *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates* ***resources****, determines the nation's production, income,* ***unemployment****, and* ***price*** *levels, and leads to variations in individual income levels*
EXCEEDS STANDARD	Meet the standard and • Analyze who gains (**benefits**) and who loses (**costs**) when a product is allocated by **market** or government. • Based on data presented (e.g., a change in national income as a result of a change in spending), identify the value of the **multiplier**, explain how it works, and give one reason why a **multiplier** effect may actually be less than it is in the data. • Given a specific **demand** situation and a change (increase/decrease) in **demand**, analyze the effect on product **price** and predict possible consequences on wages paid to the worker.
MEETS STANDARD	• Compare the **benefits** and **costs** of allocating **resources** through **markets** or government. • Given data on the U.S. and another country, explain each country's potential for producing **goods** and **services** based on its natural, human, and capital **resources** and **technology**. • Based on data presented (e.g. a change in national income as a result of a change in spending), identify the value of the **multiplier** and explain how it works. • Make connections between the nation's **unemployment rate** and the following: changes in seasons, changes in an industry, and changes in demographics. • Given an increase in **demand** for a product, explain the effect on product **price** and consequences for wages paid to a worker.
APPROACHES STANDARD	• Have difficulty determining **costs** or **benefits** of allocating **resources** through **markets** or government. • Incompletely explains a country's productive potential. • Based on data presented (e.g. a change in national income as a result of a change in spending), determine the value of the **multiplier**, but have difficulty explaining how it works. • Make connections between the nation's **unemployment rate** and one or two of the following: changes in seasons, changes in an industry, and changes in demographics. • Given an increase in **demand**, explain the effect on product **price**, but have difficulty explaining the consequences on wages.
BELOW STANDARD	• Have difficulty determining **costs** and **benefits** of allocating **resources** through **markets** or government. • Inaccurately explains a country's productive potential. • Based on data presented (e.g. a change in national income as a result of a change in spending), have difficulty determining the value of the **multiplier**. • Have difficulty making connections between the nation's **unemployment rate** and any of the following: changes in seasons, changes in an industry, and changes in demographics. • Have difficulty explaining the consequences of a change in **demand**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 2

Content Standard 7.0	**An Evolving Economy:** *Students will demonstrate an understanding of how* ***investment****,* ***entrepreneurship****,* ***competition****, and* ***specialization*** *lead to changes in an economy's structure and performance.*
EXCEEDS STANDARD	Meet the standard and • Demonstrate use of tools and machinery to enhance the ability to produce **goods** and **services**. • Define an **invention** as a new process, technique or product, give an example, and explain the history of an actual **invention**.
MEETS STANDARD	• Give examples when tools and machinery enhance the ability to produce **goods** and **services**. • Give examples of **inventions**.
APPROACHES STANDARD	• Give examples of tools and machinery, but does not explain their relationship to production.
BELOW STANDARD	• Have difficulty providing examples of tools and machinery. • Have difficulty giving examples of **inventions**.

Social Studies Performance Level Descriptors
Economics
Grade 3

Content Standard 7.0	**An Evolving Economy:** *Students will demonstrate an understanding of how* ***investment****,* ***entrepreneurship****,* ***competition****, and* ***specialization*** *lead to changes in an economy's structure and performance.*
EXCEEDS STANDARD	Meet the standard and • Tell the story of an **entrepreneur**.
MEETS STANDARD	• Give examples when skill training and education enhance the ability to produce **goods** and **services**. • List examples of **entrepreneurs**. • Describe what it means to compete.
APPROACHES STANDARD	• Cite examples, but have difficulty explaining the role of **competition** in those examples.
BELOW STANDARD	• Confuse the relationships between skill training and education. • Have difficulty giving examples of **entrepreneurs**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 5

Content Standard 7.0	**The Evolving Economy:** *Students will demonstrate an understanding of how* ***investment****,* ***entrepreneurship****,* ***competition****, and* ***specialization*** *lead to changes in the economy's structure and performance.*
EXCEEDS STANDARD	Meet the standard and • Describe the advantages and disadvantages of being an **entrepreneur**. • Give examples of ways sellers compete on the basis of **price**, customer **service**, variety, product quality, and advertising/marketing. • Provide examples of **specialization** increasing productivity.
MEETS STANDARD	• Provide an example of how purchasing a tool or acquiring education can be an **investment**. • Describes the characteristics of an **entrepreneur** (e.g., risk-taker, problem solver, self-motivated, independent thinker). • Give examples of ways sellers compete on the basis of three the following: **price**, customer **service**, variety, product quality, and advertising/marketing. • Explain why **specialization** increases productivity and **interdependence**.
APPROACHES STANDARD	• Define the term **investment**, but have difficulty explaining why purchasing a tool or machinery (or obtaining education and training), can be an **investment**. • Define the term **entrepreneur**, but have difficulty describing the characteristics. • Give examples of ways sellers compete on the basis of one of the following: **price**, customer **service**, variety, product quality and advertising. • Explain **specialization** but not its connection to productivity and **interdependence**.
BELOW STANDARD	• Have difficulty providing an example of how purchasing a tool or acquiring education can be an **investment**. • Have difficulty defining the term **entrepreneur**. • Have difficulty giving examples of ways sellers compete. • Have difficulty explaining **specialization**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 7.0	**The Evolving Economy:** *Students will demonstrate an understanding of how* ***investment, entrepreneurship, competition,*** *and* ***specialization*** *lead to changes in the economy's structure and performance.*
EXCEEDS STANDARD	Meet the standard and • Research and report on specific incidents in which **investments** have resulted in an improved standard of living. • Interview an **entrepreneur** and summarize his/her reasons for becoming an **entrepreneur**. • Explain how **competition** for jobs affects wages.
MEETS STANDARD	• Explain how **investment** improves standards of living by increasing productivity. • Describe the advantages and disadvantages of being an **entrepreneur**. • Illustrate how **competition** among sellers decreases **prices**, while **competition** among buyers increases **prices**. • Give examples of how **specialization** is facilitated by **trade**.
APPROACHES STANDARD	• Incompletely explain the relationship between **investment** and improved standard of living. • Describe an **entrepreneur**, but do not list advantages and disadvantages of being one. • Incompletely explain the relationship between **competition** and **prices**. • Explain that countries produce specialized **goods** and **services**, but cannot explain the role of **trade**.
BELOW STANDARD	• Incorrectly explain the relationship between **investment** and standard of living. • Have difficulty explaining the concept of entrepreneurship. • Incorrectly explain the relationship between **competition** and **prices**. • Have difficulty explaining that countries specialize in the production of **goods** and **services**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 7.0	**The Evolving Economy:** *Students will demonstrate an understanding of* ***investment***, ***entrepreneurship***, ***competition***, *and* ***specialization*** *lead to changes in the economy's structure and performance*
EXCEEDS STANDARD	Meet the standard and • Explain how current innovation, **investment**, and technological change are enhancing living standards.
MEETS STANDARD	• Identify an **invention**, describe how businesses invested in its production, and explain how the **investment** raised living standards. • Cite and explain specific examples of **physical capital** and **human capital**. • Examine government's impact on **investment** through taxes, fees, government regulation, enterprise zones, and subsidies. • After reading at least two biographies of **entrepreneurs**, explain how they affected the economy by solving problems, taking risks, and taking advantage of opportunities to earn profits. • Identify one innovation of the past century and explain how the innovation, through self-interest of the innovator, helped the economy promote national well-being. • Identify examples of business **specialization** and **interdependence** in the local community and list the pros and cons of **specialization** and **interdependence** in each example.
APPROACHES STANDARD	• Examine government's impact on **investment** through some of the following: taxes, fees, government regulation, enterprise zones, and subsidies. • After reading at least two biographies of **entrepreneurs**, summarize them, but have difficulty explaining how they affected the economy. • Identify an example of business **specialization** and **interdependence**, but have difficulty listing pros and cons of **specialization** and **interdependence** in each example.
BELOW STANDARD	• Identify an **invention** in the first half of the20th century, but have difficulty demonstrating the understanding of the relationship between **investment** and improved living standards. • Confuse physical and **human capital**. • Have difficulty examining government impact on **incentives** and disincentives of **investment**. • Have difficulty summarizing the biographies of **entrepreneurs**. • Have difficulty explaining the relationships among innovation, self-interest, and economic well-being. • Demonstrate a lack of understanding of the concept of **specialization**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 8.0	**The Role of Government in a Market Economy:** *Students will explain the role of government in a **market** economy*
EXCEEDS STANDARD	Meet the standard and • Explain why government decides to provide **goods** and **services**. • Identify a government program that redistributes income and discuss the pros and cons of this policy. • Explain why government protection of property is important for **markets** to function.
MEETS STANDARD	• Give examples of the kinds of **goods** and **services** that government provides. • Give examples of activities that benefit participants, yet harm non-participants. • Identify methods by which government redistributes income. • Give examples of ways government protects property.
APPROACHES STANDARD	
BELOW STANDARD	• Have difficulty giving examples of the kinds of **goods** and **services** that government provides. • Have difficulty giving examples of activities that benefit participants, yet harm non-participants. • Have difficulty identifying methods by which government redistributes income. • Have difficulty giving examples of ways government protects property.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 8.0	**The Role of Government in a Market Economy:** *Students will explain the role of government in a **market** economy*
EXCEEDS STANDARD	Meet the standard and • Identify a **public good** and identify the **costs** and **benefits** to the taxpayer of that **public good**. • Identify a current issue involving an **externality** and analyze the pros and cons of proposed government actions. • Identify a current issue involving redistributing income and debate the pros and cons of proposed government actions.
MEETS STANDARD	• Explain why government provides **public goods** rather than allowing the **market** to provide them. • Explain why government intervenes in **markets** in response to **externalities**. • Discuss whether redistributing income is an appropriate role of government. • Explain that government must define, establish, and enforce **property rights** in order for **markets** to function. • Explain why it is possible that a government decision may impose **costs** on many, but only **benefit** a few. • Explain how **fiscal policy** affects production, **employment**, and **price** levels (e.g., the effects of changes in government spending and taxation).
APPROACHES STANDARD	• Explain what a **public good** is, but have difficulty explaining its relationship to government action. • Explain what an **externality** is, but have difficulty explaining its relationship to government action. • Explain what redistributing income means, but have difficulty explaining its relationship to government action. • Explain what **property rights** are, but have difficulty explaining their relationship to government action.
BELOW STANDARD	• Have difficulty explaining the nature of a **public good**. • Have difficulty explaining the nature of an **externality**. • Have difficulty explaining the nature of redistributing income. • Have difficulty explaining the nature of **property rights**. • Have difficulty explaining why it is possible that a government decision may impose **costs** on many, but only benefit a few. • Have difficulty explaining the nature of **fiscal policy**.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 3

Content Standard 9.0	**The International Economy:** *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through* ***trade****, to peoples and cultures throughout the world*
EXCEEDS STANDARD	Meet the standard and • Explain why **imports** and **exports** benefit the U.S.
MEETS STANDARD	• Give examples of **goods** the U.S. **imports** and **exports**. • Identify the countries of origin of commonly used products. • Identify the currencies of other countries.
APPROACHES STANDARD	• Give examples of **goods** the U.S. **imports** or **exports**.
BELOW STANDARD	• Confuse **import** and **export** examples. • Have difficulty identifying the countries of origin of commonly used products. • Have difficulty identifying the currencies of other countries.

Social Studies Performance Level Descriptors
Economics
Grade 5

Content Standard 9.0	**The International Economy:** *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through* ***trade****, to peoples and cultures throughout the world*
EXCEEDS STANDARD	Meet the standard and • Explain how **imports** and **exports** benefit the U.S. **consumer**. • Identify some products for which the U.S. depends on other countries • Explain how changes in **exchange rates** affect **import prices**.
MEETS STANDARD	• Explain why the U.S. **imports** and **exports goods**. • Describe how the exchange of **goods** and **services** around the world creates **interdependence** among people in different places (e.g., the production of a candy bar requires ingredients from many countries around the world). • Give the value of the U.S. dollar in terms of the currencies of other countries.
APPROACHES STANDARD	• Explain what **imports** and **exports** are, but have difficulty explaining why the U.S. **imports** and **exports**. • Demonstrate an understanding of **interdependence**, but have difficulty explaining it in the context of exchange. • Give the value of the U.S. dollar in terms of the currency of one country.
BELOW STANDARD	• Have difficulty explaining why the U.S. **imports** and **exports goods**. • Have difficulty describing how the exchange of **goods** and **services** around the world creates **interdependence** among people in different places. • Have difficulty giving the value of the U.S. dollar in terms of the currencies of other countries.

A glossary of key economic terms is provided for all highlighted words.

Social Studies Performance Level Descriptors
Economics
Grade 8

Content Standard 9.0	**The International Economy:** *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through* ***trade****, to peoples and cultures throughout the world*
EXCEEDS STANDARD	Meet the standard and • Explain how a **tariff** or **quota** on a specific product may restrict **trade** and affects **consumers**.
MEETS STANDARD	• Explain how governments use **tariffs** or **quotas** to restrict **trade**. • Describe how economic **interdependence** among countries affects standards of living in those countries. • Compute **prices** of U.S. products in terms of other countries' currencies.
APPROACHES STANDARD	• Describe economic **interdependence**, but have difficulty relating it to standards of living.
BELOW STANDARD	• Have difficulty explaining how **tariffs** or **quotas** restrict **trade**. • Have difficulty explaining economic **interdependence**. • Inaccurately compute **prices** of U.S. products in terms of other countries' currencies.

Social Studies Performance Level Descriptors
Economics
Grade 12

Content Standard 9.0	**The International Economy:** *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through* ***trade****, to peoples and cultures throughout the world*
EXCEEDS STANDARD	Meet the standard and • Given a situation, (e.g., U.S. **free trade** with Taiwan or Mexico), debate what groups in the United States and the other country will be helped, and what groups will be hurt, if the United States pursues a **free trade** policy.
MEETS STANDARD	• Given a situation, (e.g., U.S. **free trade** with Taiwan or Mexico), analyze what groups in the United States and the other country will be helped, and what groups will be hurt, if the United States pursues a **free trade** policy. • Identify an economic event in a foreign country and predict the impact the event will have on the U.S. economy. • Construct an economic profile of a foreign country and explain how the characteristics of the country affect its economic performance and international **trade**. • Analyze an **exchange rate** table from two or more time periods and determine the impact of changes in **exchange rates** on the **prices** of products **imported** from a country and **exported** to a country.
APPROACHES STANDARD	• Given a situation, (e.g., U.S. **free trade** with Taiwan or Mexico), identify some of the pros and cons of **free trade**, but have difficulty analyzing them. • Can identify an economic event in a country, but cannot determine the impact on the U.S. economy. • Construct an incomplete economic profile of a foreign country, but have difficulty showing how a country's characteristics affect international **trade**. • Have difficulty using an **exchange rate** table to determine the impact of changes in **exchange rate**.
BELOW STANDARD	• Given a situation, (e.g., U.S. **free trade** with Taiwan or Mexico), have difficulty identifying any pros and cons of **free trade**. • Have difficulty identifying an economic event in a foreign country. • Have difficulty constructing an economic profile of a foreign country. • Have difficulty using an **exchange rate** table.

A glossary of key economic terms is provided for all highlighted words.

Nevada Social Studies Standards
Economics Glossary

Barter: Direct trading of **goods** and **services** between people without using **money**.

Benefit: A satisfaction obtained.

Borrowing: Contracting to receive **money** that must be paid back with **interest**.

Choice: A selection from a set of alternatives.

Circular Flow of Economic Activity: A descriptive model that shows that households pay businesses for **goods** and **services**; businesses pay households for productive **resources** (natural, human, capital); both households and businesses pay taxes to the government so government can provide public **services**.

Commodity: An object that can be used as **money**, but also have value of their own.

Competition: The rivalry among sellers and rivalry among buyers in a **market**.

Consumer Price Index (CPI): An index that measures the average level of **prices** of **goods** and **services** typically consumed by an urban American family.

Consumer: A person who buys and uses **goods** and **services**.

Corporation: A business with multiple owners, where it and its officers are individually liable, but all owners (shareholders/stockholders) are not.

Cost: Anything given up when a **choice** is made.

Credit: The act of **borrowing money** or purchasing **goods** over time.

Deflation: A decrease in the general level of **prices**.

Demand: (n.) The quantity of a **good** or **service** that buyers are willing to buy. (v.) To offer to buy **goods** and **services**.

Discount Rate: The **interest rate** that **banks** must pay when they borrow from the Federal Reserve.

Employment: The condition of working for pay.

Entrepreneur: An individual who creatively combines **resources** to produce a **good** or **service**.

Exchange Rate: The **price** of one country's currency in terms of another country's currency.

Export: **Good** or **service** produced domestically and sold abroad.

Externality: A positive effect (e.g., a **benefit** of immunization programs, accruing to those not immunized) or a negative effect, (e.g., health care **cost** due to industrial pollution) generated by an activity that impacts people who do not participate in the activity.

Fiscal Policy: Federal government actions related to government spending and/or taxation.

Good: An object that can satisfy **wants** (e.g., a car).

Gross Domestic Product (GDP): A monetary measure of the production of **goods** and **services** within a country.

Human Capital: The existing stock of education and training.

Import: **Good** or **service** produced abroad and sold domestically.

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Incentive: A reward that encourages or a penalty that discourages.

Inflation: An increase in the general level of **prices**.

Interdependence: The need for individuals and firms to rely on each other as a result of **specialization**.

Interest Rate: The **price** (stated as a percentage) paid when **money** is borrowed or the **price** (stated as a percentage) received when **money** is saved.

Interest: A **cost** of **borrowing money** or the **benefit** of **saving money**.

Invention: A new process, technique, or new product.

Investment: An expenditure or activity that is intended to increase the productive capacity of the economy. (The word ***investment*** is also commonly used to describe an act of **saving** that leads to an increase in value, an act that is referred to as ***saving*** in this document.)

Labor Force: The number of people who are either working, or not working and actively seeking work.

Labor Union: A group of workers who join together to affect wage rates and working conditions.

Leisure Activity: An action performed by an individual that can satisfy the individual's own **wants** (e.g., skiing).

M1: Coins, currency, and checking account deposits.

M2: **M1** plus short-term **savings** accounts deposits and other various short term deposits.

Mandate: Government requirement.

Marginal Benefit: The additional **benefit** obtained from choosing a little more or a little less.

Marginal Cost: The additional **cost** incurred by choosing a little more or a little less.

Market: A collection of buyers and sellers of a particular **good** or **service**.

Medium of Exchange: Something used to facilitate exchange.

Monetary Trade: A **trade** in which **money** is used to pay for a **good** or **service**.

Money Supply: Currency, coins, and checking account deposits.

Money; Anything widely accepted as a final payment for **goods** and **services**, including currency, coins, or checks. **Credit** cards, while accepted for payment, are not a final form of payment. **Credit** card loans are short-term loans, not **money**.

Multiplier: The total spending generated from an initial one dollar spent.

Nominal GDP: **GDP** not adjusted for the impact that **inflation** has on the buying power of **money**.

Open Market Operations: Purchases and sales of financial assets (e.g., government bonds) by the Federal Reserve.

Opportunity Cost: The value of the best alternative given up when a **choice** is made.

Partnership: A business with multiple owners, where the owners share liability.

Per capita: Per person.

Physical Capital: The existing stock of tools and machinery.

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Price Control: A governmental action that sets **price** or limits changes in the **price**. A **price** ceiling is a limit above which no **price** can go. A **price** floor is a limit below which no **price** can go.

Price Elasticity: The percentage change in quantity bought or sold that results from a one-percent change in **price**.

Price Index: A series of numbers that characterize how a set of **prices** has changed over time, where the percentage change in the **price index** provides a measure of the percentage change in the **price** level.

Price: Amount that must be paid for one unit of a **good** or **service**.

Producer: A person who combines natural, human, and/or capital **resources** to make **goods** or provide **services**.

Property Rights: The right to exclude others from using a **good** or **service** and the right to transfer ownership of a **resource**.

Public Good: A **good** or **service** whose consumption by one individual does not prevent its consumption by other individuals.

Quota: A limit on the quantity of a **good** that may be **imported** in a given time period.

Real GDP: **Nominal GDP** adjusted for negative impact that **inflation** has on buying power.

Real Interest Rate: An **interest rate** that has been adjusted for the negative effect **inflation** has on buying power.

Recession: A period of time during which the **real GDP** of the economy is decreasing. An extreme **recession** is a depression.

Reserve Requirements: The percentage of deposits that commercial **banks** must hold to meet withdrawal **demands**.

Resource: In economics, a natural, human, and capital factor utilized in the production of **goods** and **services**.

Saving: Not spending income on consumption.

Scarcity: A condition where human **wants** exceed available **resources**.

Service: An action performed by another that can satisfy **wants** (e.g., medical care).

Sole Proprietorship: A business that has a single owner, where the owner is individually liable.

Specialization: The concentration of effort on only one task or a few tasks.

Store of Value: Something used to transfer buying power into the future.

Supply: (n.) The quantity of a **good** or **service** that sellers are willing to sell. (v.) To offer to sell **goods** and **services**.

Tariff: A tax or duty imposed on **imported goods**.

Technology: In economics, the pool of existing knowledge.

Trade: Voluntarily to exchange **goods**, **services**, or **money** for other **goods**, **services**, or **money**. **Bank:** A for-profit financial institution that accepts checking and **savings** deposits, and grants loans.

Unemployment Rate: The percentage of people in the **labor force** who are not working, but are seeking work.

Unemployment: The condition of being without a job, but actively pursuing one.

Unit of Account: Something used to measure value.

Wants: Desires that can be satisfied by **goods, services,** or **leisure activities**. A *need* is a high priority **want**.

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